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UNITED STATES GOVERNMENT

MEMORANDUM

Date : June 16, 1993

Reply to
Attn of : John R. Winston
Director, OSBA

Subject : SBAC Public Hearing Record

To : Donna Searcy
Secretary

The enclosed documents were received by the Small Business Advisory Committee (SBAC) during its recent May 27, 1993 quarterly meeting and public hearing. They are being forwarded to your office for official inclusion in the public record. In all cases these documents are in reference to FCC General Docket # 90-314 (PCS) and General Docket # 92-51 (Broadcast Capital Formation). All documents are clearly marked as to the referenced Docket #.

If you have any questions or require additional information, please contact me on 632-1571.

Docket #92-51

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STATEMENT OF FRANCISCO R. MONTERO BEFORE
THE FCC SMALL BUSINESS ADVISORY COMMITTEE

MAY 27, 1993

Good day ladies and gentlemen. My name is Francisco R. Montero. I am a communications attorney with the Washington law firm of Fisher, Wayland, Cooper & Leader. My primary practice area involves the representation of Hispanic broadcasters before the Federal Communications Commission. I have represented the American Hispanic Owned Radio Association as well as members of the Hispanic National Religious Broadcasters and the Radio Broadcasters Association of Puerto Rico. Before beginning, I would like to thank Committee Chairman Smith as well as John Winston, Rowland Martin, and the members of the Small Business Advisory Committee for giving me the opportunity to make my presentation today.

My comments today will focus on the lack of financing and investment capital in today's market place. It is this lack of financing and investment capital which has made it extremely difficult for existing and potential Hispanic broadcasters to grow in the market. The Hispanic population of the U.S. is one of the fastest growing population segments in the country. This reality has been recognized by various Federal, state, and local efforts to facilitate the ability of Hispanics to gain access to vital news and public service information. The recent repeal in Miami of a city ordinance identifying English as the city's primary language is a clear example of this trend. Also, various activities by the Commerce Department and the Census Bureau to train minority broadcasters and disseminate important statistical and demographic information in Spanish are other indications of this trend.

As the Hispanic population of the U.S has grown so has the spread of Hispanic communities in cities and states which were not previously known for their Hispanic population. Cities like New York, Los Angeles, Miami, Chicago and Washington are known to have very large Hispanic populations. However, we are seeing the growth of Hispanic neighborhoods in cities such as Portland, Nashville, Oklahoma City, and Salt Lake City to name a few. Unlike many of other minority populations in the country,

however, the Hispanic community a faces real obstacle in gaining access to news and information. This is, of course, because of the language barrier that exists. The existence of Spanish language media to provide news, weather, and information on a local basis in Spanish is essential.

The FCC has long recognized the need and value of encouraging Hispanic and other minority ownership in broadcast facilities. However, in the current economic climate, these groups face a financial obstacle. Although the FCC is to be commended in its efforts to encourage minority ownership through

The decline of print media in recent years has left many cities with few, if any, newspapers. The only cities in the country with regular Spanish language newspapers are the largest metropolitan areas with major Hispanic populations. As such, the growing Hispanic population of most American cities go without printed news and information and must, consequently, rely on radio and television broadcasts for local news and information. I have contacted representatives of the NAB and various state associations, and all agree that a major effort has to be made to reintroduce the broadcaster's exception to the SBA's Opinion Molder Rule. I respectfully request that the Committee take under consideration an analysis of how to coordinate an effort to make SBA loans and loan guarantees available to broadcasters. I am, of course, available to provide any additional information that the Committee may request. I thank you.

FRANCISCO R. MONTERO

Mr. Montero specializes in representing the Firm's broadcasting and telecommunications clients in the areas of FCC regulatory counselling, corporate finance, asset and securities acquisitions, and real estate and commercial transactions. Recently, he has represented a number of broadcasting and cellular radio clients in connection with FCC regulatory compliance and the negotiation of equipment acquisition and financing agreements. Mr. Montero has also worked extensively with Spanish language broadcasters on commercial and regulatory matters. He has counseled members of the American Hispanic Owned Radio Association (AHORA) and has given presentations on FCC legal issues to the Radio Broadcasters Association of Puerto Rico, as well as the Hispanic